

Certificate
Report
Section 36

San Juan Co., VT

Box 1094

Don R. Hill, Chief, Development Section,
Leasing & Development Branch, MD, GJ

April 11, 1956

Albert S. J. Taylor, Mining Engineer,
Mining Division, GJ

C - 714

CERTIFICATION OF SECTION 36, T 43 S, R 14 E, S.L.M.,
MONUMENT VALLEY DISTRICT, SAN JUAN COUNTY, UTAH
(APPLICATION NO. 1246)

Symbol: MD:ASJT

Abstract

Section 36, T 43 S, R 14 E, S.L.M., is a surveyed section in San Juan County, Utah, Monument Valley District. All but the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of this section is State school land. The applicant has an assignment of Mineral Lease No. 5109 for the 280 acres in the north half owned by the State of Utah and of Mineral Lease No. 5113 for the entire South half, also owned by the State of Utah.

The Finance Division reports no production from the property for the period April 9, 1948, through February 28, 1951.

Initial shipment from the property was received at Monticello, and average grade for the first month of operation, August, 1955, was 0.11 U308.

It is recommended that the entire portion of the section which the applicant controls be certified to receive bonus payment on 10,000 pounds of U308.

Introduction

Application No. 1246 was received on November 7, 1955, from Texas Mining Co., P. O. Box 918, Austin, Texas. The application requested certification of a 40 acre tract referred to by the applicant as Utah #1.

The property was examined on February 11, 1956, by the writer, without any representative of the applicant being present. It was planned to contact the applicant's representative in the field, but he was away on an extended trip and did not return until the following week. The mine operator, Mr. W. L. Leighton of Radium Hill Uranium Inc., was contacted later for exploration and production information.

OFFICE ▶	MD	MD	MD	MD		
SURNAME ▶	Taylor:js	Newman	Hill Byel	Tolole		
DATE ▶	4-11-56	4-17-56		4/18/56		

Status of the Land

The 40 acre tract referred to by the applicant as the Utah #1 tract is a parallelogram shaped tract in the south half of Section 36, T 43 S, R 14 E, S.L.M., segregated by the applicant after obtaining mining rights on the entire 602.6 acres of state owned land in the section.

The land status of section 36 as obtained by the legal branch on 11/17/55 is as follows:

Surveyed 5/24/27

E $\frac{1}{2}$, E $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ State school lands
NW $\frac{1}{4}$ NW $\frac{1}{4}$ Indian Trust Patent issued 5/5/30 to Hosteen Tso, no minerals reserved (includes SESE of 26, SWSW 25, NENE 35 and NWNW of 36).

As shown above, the land was surveyed by the U. S. General Land Office. Brass cap markers are in place at the corners. Also Mile Post Marker No. 207 is located on the south boundary of the section, which is on the Utah-Arizona boundary.

The property may be reached by traveling south on the Mexican Hat - Kayenta road to the Utah-Arizona state line and past the state line for 1.3 miles. Turn right on the road toward Oljato and proceed for 3.6 miles westerly. Turn left, leaving the road to Oljato and proceed 5.6 miles to the mine. Haulage distance to Monticello is about 115 miles to Tuba City would be about 93 miles.

Although this property is within the Navajo Indian Reservation, the State of Utah acquired it before the Reservation was segregated, and the Navajo Tribe has no control over the mineral rights or surface rights.

Ownership

The tract for which certification was applied is a 40 acre tract within the south half of section 36, T 43 N, R 14 E, S.L.M. The entire section, with the exception of the NW $\frac{1}{4}$ NW $\frac{1}{4}$, is considered in this report as contiguous property under the same ownership and control. The NW $\frac{1}{4}$ NW $\frac{1}{4}$ of the section is excluded, since the applicant has no interest in or control over this portion. Listed below are the known instruments pertaining to the 602.6 acres of State owned land.

Mineral Lease No. 5109 dated March 6, 1953, from State of Utah to Reuben M. Heflin, 618 N. Humphry, Flagstaff, Arizona, for NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ of T 43 S, R 14 E, containing 280 acres more or less. Standard lease for 20 years, 50¢ per acre per annum rental, 12 $\frac{1}{2}$ % royalty on gross receipts, including bonus and excluding haulage allowance.

Mineral Lease No. 5113 dated March 20, 1953 to Reuben M. Heflin for N $\frac{1}{2}$ S $\frac{1}{2}$ and lots 1, 2, 3, 4, T 43 S, R 14 E, SIM, containing 322.6 acres, more or less. Standard lease, same as No. 5109.

Assignments of Lease Nos. 5109 and 5113, both dated August 6, 1954, assigned by Reuben M. Heflin and wife to the Texas Mining Co., with an overriding royalty of 12 $\frac{1}{4}$ %, to be computed on the same basis as the State's royalty. Assignment to become effective when approved by the State Land Board. Approval date September 17, 1954.

Agreement between the Texas Mining Co. and Monument Exploration and Mining Co., dated November 13, 1954, for drilling exploration to be performed by Monument Exp. & Mining Co. in exchange for an overriding royalty equal to $\frac{1}{2}$ of the standard Navajo Tribal royalty excluding bonus. (Signed copy of Agreement abstracted - Public Record data not obtained).

Oljato Venture Agreement - dated April 10, 1955
Radium Hill Uranium, Inc. - General Partner
The Texas Mining Co. - Limited Partner

The name of this partnership to be known as Radium Hill, Inc.; said partnership formed under the laws of Colorado and Utah for the purpose of mining uranium ore on a 40 acre tract in Sec. 36, T 43 S, R 14 E, SIM, tract to be selected and laid out by the General Partner. General Partner to pay all mining costs to gain access to blocked out ore body and to deduct this initial cost from profits until initial cost is repaid, after which all profits, including bonus payments, to be divided equally between General Partner and Limited Partner. General partner to be general manager of the operation. Term to be 4 years unless General Partner cancels agreement upon a 30-day notice. Limited partner to receive \$7500 worth of capital stock in Radium Hill Uranium, Inc., as payment for contributing the mineral property to the venture. (Signed original agreement abstracted - no notation shown on instrument indicating that it had been recorded.)

A letter from the State Land Board, dated February 27, 1956, is on file in this office verifying Lease and Assignment data shown above, but no mention was made of the Oljato Agreement or Agreement with Monument Exploration and Mining Co. Mr. Combo called the State Land Board on Feb. 29, 1956, to determine if the Oljato Venture Agreement had been approved or if approval were required. Mr. McCarty of the Board indicated that approval was required and had not been obtained.

A check of the Window Rock records and a statement on the application indicates no contiguous property owned or controlled by the applicant.

Joining the property on east part of the south boundary are the Fern claims now assigned to Foutz and Thomas. Other drilling permits and mining permits are in force on the other sides of the property, which do not conflict with this section.

The applicant is presently negotiating for an assignment on Alvin Bailey's

April 11, 1956

Boundary Claims that join the west half of the south boundary of the section, but as of March 1, Alvin Bailey was still holding out for much money for the assignment.

The applicant has the right to apply as holder of a State Mineral Lease on the property and also as a partner in the Oljato Venture Agreement.

Production

The property is not currently operating. The last production came from the property in November, 1955. Initial production was in August, 1955. A total of 1249.50 tons averaging 0.12% U308, 0.09% V205 and 3.1% lime have been delivered to Monticello and Shiprock. Only 18.41 tons went to Shiprock. A no pay shipment was made prior to the mine shutting down in mid December.

Eight men were employed during operation. At present, only one man is employed on the property to watch the equipment and pump water from the mine. Equipment on the property consists of a Skagit Model GU-5 hoist, Jaeger 600 Koto compressor, Koehler 10 KW light plant, 1-ton mine cars, fan, water pump, and two 30-ton steel orebins. An Einco mucking machine had been used but was repossessed shortly before the examination. Jack hammers were removed when the property shut down.

The operator hopes to resume production when some more capital is promoted or when some bonus payments are received. An ore body on the south end of the Utah No. 1 tract has not been opened up. This ore body is assumed to be of better grade than the one mined in the past. Mining methods in the past were designed for tonnage instead of grade, and too much dilution may have accounted for the low grade.

Between 7000 and 8000 feet of rotary and wagon drilling has been done on the property, including 300 feet that was cored. Estimates by the Ore Reserves Branch, GJ, are 13,500 tons of 0.21% U308 ore for the property. Haulage to Monticello costs \$6.90 per ton. Operators estimate of mining costs is about \$8 per ton.

Water has been a constant problem in mining on this property. A perched water table is present in the ore horizon, and drainage through the Shinarump Channel being mined, must be frequently pumped out.

This operation is also burdened with royalties totaling 30% or more. With these royalties attached, it is doubtful if the property will ever produce much, since the estimated ore grade does not appear to be high enough to support a profitable operation.

C-714
Section 36, T 43 S, R 14 E, SLM
Visited: 5/15/56

Engineer: Taylor

Radium Hill Uranium, Inc., have started a new incline towards a blocked out ore body which extends over the State line. This mine will probably connect underground with the mine on the adjoining Fern No. 1 claim to the south. The new incline is being sunk by contract and was progressing at the rate of about 6 to 8 feet per day. No irregularities with respect to bonus payments were noted.

C-714 School Section 36, T 43 S, R 14 E, G&SR B&M
Visited 9/27/56

Engineer: Taylor

Eligible balance as of 9/1/56 - 6969.29 lbs.

Working one shift at present. Labor force consists of three Indians and one white miner, and Mr. Hartman the superintendent. Production this month about 300 tons. The company expects to hire two or three more miners and work two shifts next month in order to get 1000 tons contracted. Haulage to Monticello costs \$7 per ton. 50 tons was shipped this month to Tuba City, for a trial lot at a cost of 8¢ per ton mile. The heading is in six feet of ore and has advanced only a few feet ahead of the position when mapped, 9/13/56, by Anderson and Young. No irregularities were noted with respect to bonus payments.

Final Visit.
C-714 Section 36, T 43 S, R 14 E, G&SR B&M
Visited 12-12-56

Engineer: Taylor

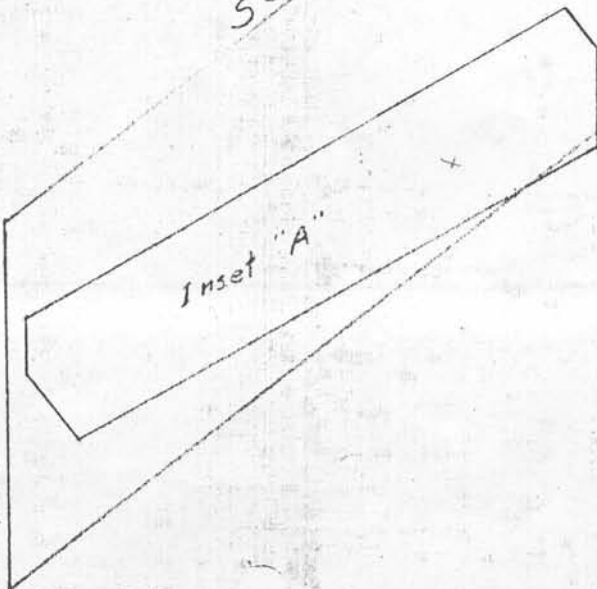
Eligible Balance 5528.85 pounds U₃O₈

Property operating two shifts, four men per shift and one mine superintendent. Mine measured and found to be well within limits of the certified property on date of production of last ore eligible for bonus payment.

Beginning to drift toward another ore body. Broke through into the Fern mine workings 12-11-56, giving much better ventilation.

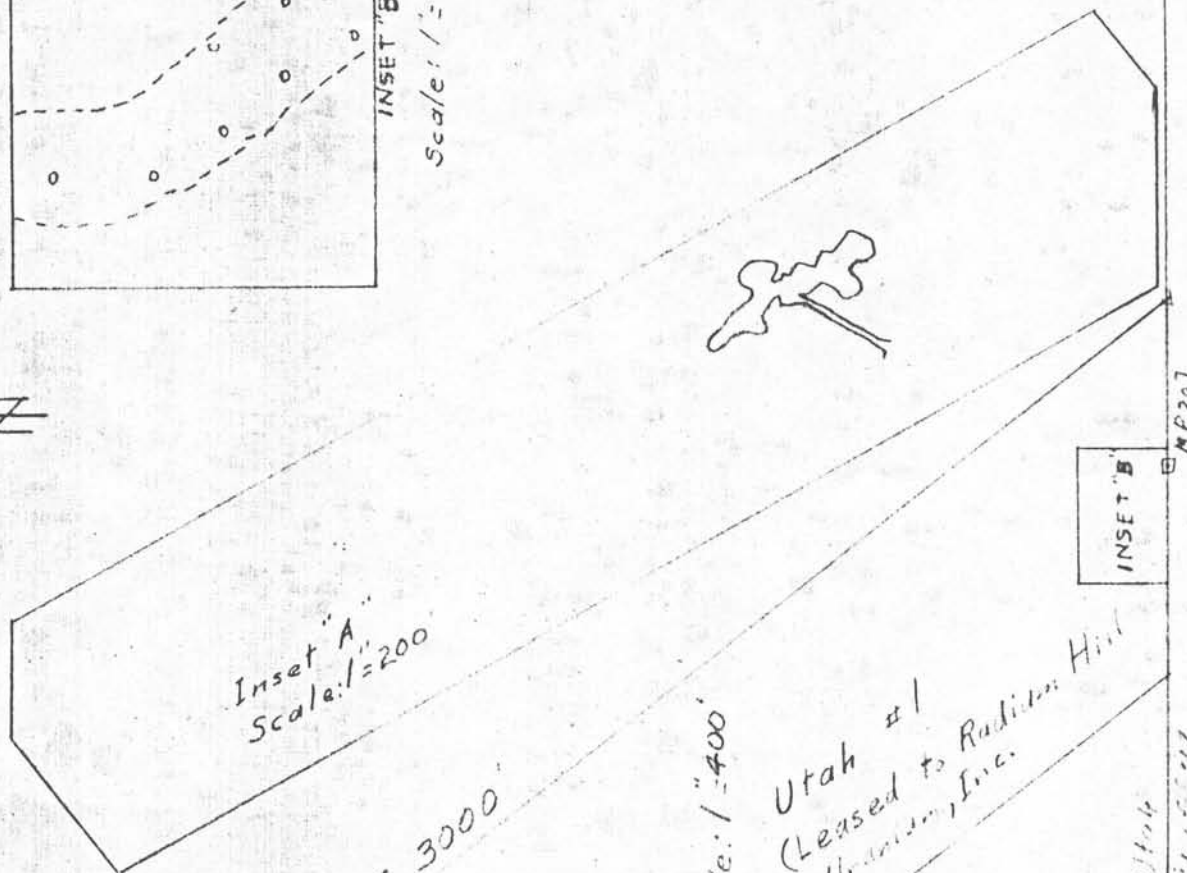


N 89° 54' E 768'



Inset "A"

S 38° 00' E 3000'



Inset "A"
Scale: 1" = 200'

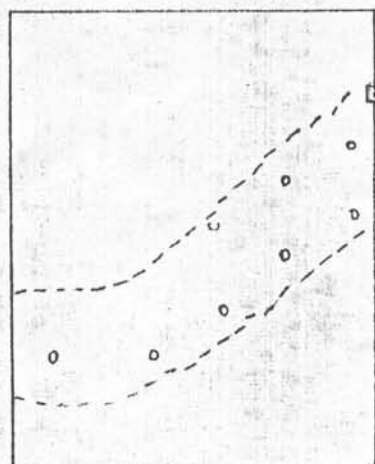
Scale: 1" = 400'

Utah #1
(Leased to Radium Hill
Union, Inc.)

INSET "B"

MP 207

Utah



MP 207

Scale: 1" = 100'

T 43 S
R 14 E R 15 E S 14 N
3631